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FEDERAL COMMUNICATIONS COMMISSION  
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FCC - MAIL ROOM

Federal Communications Commission  
1919 M Street N.W.  
Washington, DC 20554

RE: MM Docket 92-266

Dear Commissioners:

Our organization wishes to oppose the FCC's proposed "benchmarking method" to set basic cable rates and to determine if additional tier rates are reasonable.

The use of "benchmark rates" heavily relies on an assumption that cable rates where competition exists are truly representative of what cable rates should be. We question that assumption since mature cable marketplace competition is rare, programming has not been readily available at competitive prices for the so-called overbuilds and markets where competitive systems exist tend to buy one or the other out.

We urge the FCC to adopt the traditional return-of-investment (cost-of-service) method which has proven successful in regulating utilities throughout the country. There are several advantages to this method, including (1) the public has confidence in the return on investment method, (2) the public understands this process, (3) there are established standards and (4) the return on investment method results in credible, supportable rates.

We also urge the FCC to provide itself and local government rate roll back authority as well as authority to require rate refunds to customers for over charges. Our cable operator is planning an 8.5% increase on February 1 after the effective date of the 1992 Cable Act. Rates increases since de-regulation in 1986 will be over 150% when the latest rate increase takes effect. We as a community as well as the FCC needs to have a remedy to over charges.

Your consideration of these points is necessary to accomplish fair and reasonable cable rates.

Sincerely,

*Paul Wright*  
President Collier County

Collier County Property Owners Assoc.  
Naples, Florida

xc: Collier County Commissioners  
City of Naples Council Members  
Rep. Porter Goss  
Senator Connie Mack  
Senator Bob Graham  
Chairman Jack Clifford, Colony Communications

P.O. Box 969, Providence, RI 02901

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# MACC

## Metropolitan Area Communications Commission

Cable TV Franchise Regulation • Tualatin Valley Community Access (TVCA) • Public Communications Network (PCN)

January 26, 1993

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Ms. Donna R. Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, NW  
Room 222  
Washington, DC 20554

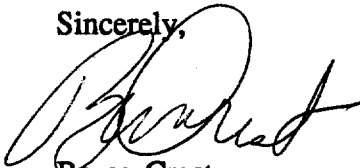
RE: COMMENTS ON MM DOCKET NO. 92 - 266, RATE REGULATION

Dear Ms. Searcy:

On behalf of the Metropolitan Area Communications Commission (MACC), I transmit to you an original and ten copies of the Comments of the Metropolitan Area Communications Commission, et al., in MM Docket No. 92 - 266, Rate Regulation.

If any additional information is needed in connection with this matter, please do not hesitate to contact me.

Sincerely,



Bruce Crest  
Administrator

ABC:mmm  
attachments (11)

cc: MACC Commissioners

92-266.LTR

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FEDERAL COMMUNICATIONS COMMISSION  
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TOWN OF WILMINGTON  
MASSACHUSETTS  
BOARD OF SELECTMEN

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JAN 27 1993  
FCC MAIL ROOM

January 22, 1993

Office of the Secretary  
Federal Communications Commission  
Washington, D.C. 20554

Attention: Donna R. Searcy, Secretary

Re: Comments on Rate Regulation

Dear Sir/Madam:

The Board of Selectmen, as the cable franchising authority, greatly appreciate this opportunity to comment on rate regulation with respect to cable television.

Given the mix of social and economic backgrounds of Wilmington residents, we are constantly attentive to feedback received from residents regarding their ability to pay for cable programming. The lack of competition amongst cable companies in our area and the regulations governing cable franchise agreements provide few opportunities for this board to exercise any meaningful influence over the type of programming offered and the cost of that programming. It is our hope that the Cable Television Consumer Protection and Competition Act of 1992 will provide greater consumer protection for the cable viewing public.

Specifically, subscribers should not be required to purchase program services in addition to a basic tier of service in order to obtain per channel or per event programming. Such a requirement discriminates against lower income families, while also forcing subscribers to purchase programming services which are of little or no value to them. Removing these "buy-through" provisions will add a measure of competitive responsiveness to the cable industry. The second tier programming which would normally be purchased as a "buy-through" in order to obtain premium channels should be purchased on its own merits, with "anti-buy through" regulation.

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In order for the above-mentioned provisions to work effectively, a single basic tier must be established. This would clearly set the number and types of programming to be offered in the basic tier. Without such a requirement, cable companies could expand the number and type of offerings included in the basic tier driving up the cost and limiting the effectiveness of the "anti buy through" provisions.

In our judgment a low cost basic tier will not cause significant cost increases in the pricing of the other program offerings. Subscribers will decide not to purchase the additional tier programming if costs increase significantly. This would result in decreased revenues for expanded tier programming.

We favor a benchmarking approach to ensure reasonable rates for the basic service tier. It appears that the cost of service approach would require a more detailed level of scrutiny of cable operations. This, in turn, would require staff with experience in conducting audits of cost of service studies. The Town of Wilmington is not prepared to engage in this level of review at this time. If the state were required to carry out these responsibilities, they would certainly need to acquire additional staff.

Cable companies with prices above the benchmark will be required to reduce their price to the benchmark level. Cable companies below the benchmark must be restricted in their ability to raise rates to the benchmark level. Adjustments to pricing must be restricted to no greater than annually.

The cable company must be required to present their proposed rate increase at a public hearing before the cable franchising authority. This will give the cable franchising authority an opportunity to question the merits of the rate increase and provide some level of accountability to the customers served by the cable company. The increase in price for basic tier service must not exceed the local service price index (SPI). The SPI would be comprised of local service costs such as those enumerated in the Notice of Proposed Rulemaking.

Municipalities need the ability to impact the expanded tier pricing. Subscribers, local officials or state officials should have the right to complete a standardized "Comment Form" expressing the basis for their concern about expanded tier pricing. Based upon that "Comment Form," the local franchising authority and the cable company should be given an opportunity to submit information which supports their respective positions.

Office of the Secretary  
January 22, 1993  
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The FCC should base their decision concerning the merits of the rate increase on a set of predetermined criteria which would serve as indicators of the fairness and validity of the price change.

Cable companies must be required to provide accurate and fair representation of the local access fee line item. The subscriber should be able to easily identify the local access fee, how it is derived and what it represents.

Finally, we strongly believe that cable companies should be prohibited from increasing their pricing on all tiers of programming until after your Commission has established firm regulations to implement the new laws. Currently cable companies are using this comment period as an opportunity to increase cable rates. The Wilmington Board of Selectmen believe that these are some of the steps which the Federal Communication Commission can take to make cable television affordable and accessible to the general public.

Very truly yours,

  
MARK T. HALDANE, CHAIRMAN

  
ROBERT J. CAIN

  
DANIEL H. BALLOU, JR.

  
CHESTER A. BRUCE, JR.

  
GERALD R. DUGGAN

BOS/dan

cc: Cable T.V. Advisory Task Force  
Jill Reddish, Executive Director  
Massachusetts Community  
Antenna Television Commission  
Honorable Peter G. Torkildsen  
Honorable Edward J. Markey